SEC Memorandum Circular No. 11
Series of 2020

TO : ALL CONCERNED

SUBJECT : GUIDELINES FOR THE SUBMISSION OR FILING OF SECURITIES DEPOSIT DURING THE COVID-19 OUTBREAK AND THE ENHANCED COMMUNITY QUARANTINE

WHEREAS, under Section 143 of the Revised Corporation Code of the Philippines ("RCC"), all branch offices of foreign corporations duly licensed to do business in the Philippines, except foreign banking or insurance corporations, shall deposit with the Commission for the benefit of present and future creditors of the licensee in the Philippines, securities satisfactory to the Commission, consisting of bonds or other evidence of indebtedness of the Government of the Philippines, its political subdivisions and instrumentalities, or of government-owned or -controlled corporations and entities, shares of stock or debt securities that are registered under Republic Act No. 8799, otherwise known as "The Securities Regulation Code", shares of stock in domestic corporations listed in the stock exchange, shares of stock in domestic insurance companies and banks, any financial instrument determined suitable by the Commission, or any combination thereof with an actual market value of at least Five hundred thousand pesos (P500,000.00) or such other amount that may be set by the Commission.

WHEREAS, under Section 2 of SEC Memorandum Circular No. 17, Series of 2019, otherwise known as the "Revised Guidelines on Securities Deposit of Branch Offices of Foreign Corporations", all branch offices of foreign corporations duly licensed to do business in the Philippines mentioned in Section 143 of the RCC, shall deposit securities within 60 days after the issuance of its SEC license, securities with an actual market value of at least P500,000.00.

WHEREAS, Section 2 of SEC Memorandum Circular No. 17, Series of 2019, additional securities shall be deposited within six months after the end of the fiscal year in the Financial Statements (FS) in the following situations:

a. If the licensee's gross income within the Philippines for the fiscal year exceeds P10,000,000.00, additional securities with an actual market value equivalent to two percent (2%) of the increase in said gross income; and
b. If the actual market value of the securities deposit or financial instruments has decreased by at least ten percent (10%) from the time it was deposited, additional securities with an actual market value that would cover decrease.

WHEREAS, the Securities and Exchange Commission recognizes the impact of the global pandemic brought by the new coronavirus disease, COVID-19, not just to business operations of registered corporations and licensed branch offices in the Philippines but also to foreign corporations all over the world.

NOW THEREFORE, to ease the burden brought about on the business sector during this extraordinary times, the SEC resolves the following guidelines:

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1. Branch offices of foreign corporations duly licensed to do business in the Philippines required to file its initial securities deposit within 60 days after the issuance of its SEC license, which period falls during the effectivity of the Enhanced Community Quarantine, shall be given thirty (30) days from the lifting of said Enhanced Community Quarantine, to file the initial securities deposit under Section 2(a) of SEC Memorandum Circular No. 17, Series of 2019.

2. Additional securities deposit mentioned in the schedule provided in Section 2 (b) of SEC Memorandum Circular No. 17, Series of 2019, due for deposit during the effectivity of the Enhanced Community Quarantine, shall likewise be given thirty (30) days from the lifting of Enhanced Community Quarantine to deposit additional securities.

3. Securities deposit that matured during the effectivity of the Enhanced Community Quarantine shall likewise be given thirty (30) days from the lifting of Enhanced Community Quarantine to file an application for substitution of securities under Section 8 of SEC Memorandum Circular No. 17, Series of 2019.

4. This Memorandum Circular shall take effect immediately.

26 March 2020 at Pasay City, Philippines.

EMILIO B. AQUINO
Chairperson